

TELECONFERENCE WITH B&K SECURITIES AND DORI CAPITAL HELD ON  
19<sup>TH</sup> AUGUST 2015 AT 10.00 A.M.

<b>ANALYSTS</b>	<b>REPRESENTED BY</b>
DORIC CAPITAL	SRI RAJESH RANGANATH
B&K SECURITIES, MUMBAI	SRI RENJIT SHIVARAM
<b>BEML LIMITED REPRESENTED BY</b>	
DIRECTOR (FINANCE), GENERAL MANAGER (FINANCE) GENERAL MANAGER (CORPORATE PLANNING)	

The following points were deliberated upon:

1. Order book position:

The segment-wise order book position has already been posted on BEML website.

2. Sales turnover:

Segment-wise sales, has already been posted on the website.

3. Contribution:

The variation in percentage of contribution is mainly due to severe competition from international players and relatively higher material content on metro sales.

Inspite of the above, the contribution has remained much above 35% (The analyst sought a clarification if this was 35%)

4. Increase in other expenses:

Other expenses, has gone up by Rs.15 crores. Main reasons for the same are as follows:

(i) Reduction of stock was not substantial compared with last year. Resultant Excise duty component has increased by Rs.8 crores. However, there is no cash outflow due to this increase and no impact on profitability;

(ii) As sales picked up correspondingly warranty cost and other production and sales related expenses has also gone up.

The above is compensated by reduction in interest cost.

5. Mining and construction segment:

- (i) Mining & Construction business has not expanded.
- (ii) We have developed 1800E Excavator that has proved successful.
- (iii) We have opened new offices in Bangalore, Vijayawada and Leh to improve sales and service to the customers.
- (iv) In the construction segment we have not entered in a big way.

6. Rail & Metro segment:

The ROTEM issue will not affect the company for the next two years. Orders have been received, capacity has been booked. We will continue to work with ROTEM.

7. Defence Orders:

Defence segment is picking up. Heavy mobility vehicles are going to be rolled out. Defence segment is on track.

8. Aerospace:

Although the land is available, there is no clarity on the off-sets to be manufactured for aerospace sector.

9. Working capital:

Even with increase in sales, company is trying to contain the working capital requirement. We are trying to have improved working capital utilization by improving collection of debts and reducing inventory.

Although there may not be incremental reduction in interest cost, we expect interest cost to come down further by 10%.